

ED 308 264

UD 026 809

TITLE The Stewart B. McKinney Homeless Assistance Act.
Revised Summary.

INSTITUTION National Coalition for the Homeless, Washington,
DC.

PUB DATE 22 May 89

NOTE 28p.

AVAILABLE FROM National Coalition for the Homeless, 1439 Rhode
Island Avenue, NW, Washington, DC 20005.

PUB TYPE Legal/Legislative/Regulatory Materials (090) --
Reports - Descriptive (141)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.

DESCRIPTORS Access to Education; *Community Services;
*Economically Disadvantaged; *Emergency Programs;
Federal Legislation; *Federal Programs; Health
Services; *Homeless People; Housing Needs; Job
Training; Mental Health Programs; Program
Descriptions; Social Services; *Welfare Services

IDENTIFIERS Aid to Families with Dependent Children; Shelters;
Single Room Occupancy; *Stewart B McKinney Homeless
Assistance Act 1987

ABSTRACT

The Stewart B. McKinney Homeless Assistance Act of 1987 was reauthorized for another two years by the Omnibus McKinney Homeless Assistance Act of 1988. This report summarizes the nine titles of the McKinney Act, including changes brought about in the 1988 reauthorization. Title I covers general provisions of the Act. Title II establishes the Interagency Council on the Homeless. Title III creates the Emergency Food and Shelter Program. Title IV supplies housing assistance through the following means: (1) emergency shelter grants; (2) a supportive housing demonstration program; (3) supplemental assistance for facilities to assist the homeless; and (4) assistance for single room occupancy units. Title V provides for the identification and use of surplus federal property. Title VI authorizes health care for the homeless in the following categories: (1) primary health and substance abuse services; and (2) community mental health services. Title VII establishes education, training, and community services programs for the following purposes: (1) adult literacy; (2) education for homeless children; (3) job training for the homeless; (4) emergency community services grants; and (5) jobs for employable dependent individuals. Title VIII provides for homeless veterans. Title IX deals with aid to families with dependent children and unemployment compensation. Two budget charts are appended to the report. (AF)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

ED308264

THE STEWART B. McKINNEY HOMELESS ASSISTANCE ACT

REVISED SUMMARY

THE NATIONAL COALITION FOR THE HOMELESS
1439 RHODE ISLAND AVENUE, N.W.
WASHINGTON, D.C. 20005
(202) 659-3310

UPDATED
MAY 22, 1989

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

* This document has been reproduced as
received from the person or organization
originating it.

□ Minor changes have been made to improve
reproduction quality.

• Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

"PERMISSION TO REPRODUCE THIS
MATERIAL IN MICROFICHE ONLY
HAS BEEN GRANTED BY

Adraime Bennett
Nat'l Coalition for the
Homeless

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)"

BEST COPY AVAILABLE

CONTENTS

	<u>Page</u>
Introduction.....	1
Title I. General Provisions.....	2
Title II. Interagency Council on the Homeless.....	2
Title III. Emergency Food and Shelter Program.....	3
Title IV. Housing Assistance.....	5
A. Comprehensive Homeless Assistance Plan (CHAP).....	5
B. Emergency Shelter Grants.....	6
C. Supportive Housing Demonstration Program...	7
D. Supplemental Assistance for Facilities to Assist the Homeless (SAFAH).....	10
E. Section 8 Assistance for Single Room Occupancy Units (SRO).....	11
F. Reports.....	12
Title V. Identification and Use of Unused and Underutilized Surplus Federal Property.....	12
Title VI. Health Care for the Homeless.....	13
A. Primary Health and Substance Abuse Services.....	13
1. Health Services Grant Program.....	13
2. National Health Services Corps.....	14
3. Deinstitutionalization Study.....	14
B. Community Mental Health Services for the Homeless.....	15
1. Mental Health Block Grant.....	15
2. Demonstration Project for Chronically Mentally Ill Homeless Persons.....	16
3. Demonstration Project for Alcohol and Drug Abuse Treatment.....	17
Title VII. Education, Training and Community Services Programs.....	17
A. Adult Literacy.....	17
B. Education for Homeless Children.....	17
1. Policy.....	17
2. Grant Program.....	18
3. Exemplary Grants Program for Homeless Children.....	18
4. National Responsibilities.....	19
C. Job Training for the Homeless.....	19
1. Job Training for the Homeless Demonstration Program.....	19
2. Homeless Veterans Reintegration Project.....	20
3. Job Training Partnership Act.....	20
D. Emergency Community Services Grant Program.	20
E. Jobs for Employable Dependent Individuals (JEDI).....	21
Title VIII. Veterans' Provisions.....	22
Title IX. Aid to Families with Dependent Children (AFDC); Unemployment	23

A. Extension on Prohibition Against
Implementation of Certain Proposed
Regulations.....23

B. Report on AFDC as Emergency Assistance.....23

C. Demonstration Projects to Reduce the Number
of Homeless Families in Welfare Hotels.....23

Introduction

The Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) for emergency aid to America's homeless poor became law on July 22, 1987. The McKinney Act includes almost twenty different programs to aid homeless individuals and involves seven federal agencies. The initial authorization for the McKinney Act was for two years and expired on September 30, 1988.

The Omnibus McKinney Homeless Assistance Act of 1988 (P.L. 100-628) reauthorized the McKinney Act for another two years ending September 30, 1990. McKinney programs were authorized for \$634 million in FY89 and \$676 million in FY90. Congress appropriated only \$365 million for FY89.

During the Presidential campaign debates, President Bush stated his concern for the plight of the homeless and declared his support for full funding of the McKinney Act. The Congressional budget resolution for FY90 contained an assumption of \$733 million for the homeless; \$683 million for McKinney programs and \$50 million for a new Bush initiative for competitive grants to innovative ideas for comprehensive services for the homeless (no detail were available at print date). Given the wide-spread support, it is expected that the McKinney Act will be fully funded, for the first time in FY90. (Please see the table in the Appendix for authorization and appropriation levels.)

The following is a summary of the McKinney Act. The 1988 reauthorization also changed some of the McKinney Act programs; the changes are included in this summary and are highlighted and enclosed in brackets [].

Title I. General Provisions

Short Title: Stewart B. McKinney Homeless Assistance Act.

[Budget Compliance: Provides that the new budget authority, budget outlays or new entitlement authority for Fiscal Years 1989 and 1990 may not exceed the levels established in the Budget Resolution.]

General Definition of Homeless Person: A person who (1) lacks a fixed, regular and adequate nighttime residence, or (2) lives in (a) a shelter, (b) an institution (other than a prison), or (c) a place not designed for or ordinarily used as a sleeping accommodation for human beings.

Purpose: To meet the critically urgent needs of the nation's homeless, with special emphasis on elderly persons, handicapped persons, families with children, Native Americans, and veterans.

Funding: Funds appropriated under the Act will remain available until expended.

Audits: The Comptroller General must evaluate the disbursement and use of the funds appropriated for Titles III and IV and submit reports to Congress 4 months and 12 months after enactment.

Title II. Interagency Council on the Homeless

General: Establishes as independent entity in executive branch. Successor to Federal Task Force, which is terminated. Consists of the 10 Cabinet Secretaries (Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Labor, and Transportation) and the heads of five independent agencies (Action, Federal Emergency Management Agency/FEMA, General Services Administration/GSA, Department of Veterans' Affairs/VA, and the Postmaster General). Jack Kemp, Secretary of the Department of Housing and Urban Development is the Chair and Patricia Carlile is the Executive Director of the Council.

[Bimonthly Bulletin: The Council must distribute a bimonthly bulletin to states, local governments and public and private non-profits on federal resources available under the McKinney Act, including application deadlines and federal agency contact persons. The Bulletin is called the Council Communique].

Duties: (1) Review federal activities and programs; (2) reduce duplication among such programs; (3) monitor and evaluate federal, state, local and private programs and activities; (4) provide technical assistance to state, local and private groups;

(5) collect and disseminate information; and (6) [employ at least two Regional Coordinators, but no more than five to: (a) coordinate the Council's activities within the ten standard federal regions; (b) interpret federal regulations; (c) assist in the federal application process, including grants; (d) coordinate McKinney programs with other federal programs; (e) and develop recommendations for regional solutions to homeless issues.]

[Program Timetables: Requires each Federal agency which is a Council member to provide, within 90 days of the enactment date, a timetable regarding program funding availability and application deadlines. Requires the Council to furnish this information to each state Council.]

Reports: The Council must prepare annual reports to Congress and the President regarding the nature and extent of homelessness; the activities of the federal government meeting the needs of the homeless and in working with federal, state, local and private entities; the level of federal assistance necessary; recommendations.

Notice to Inspector General: If in monitoring federal programs the council finds any significant problem, abuse or deficiency it must notify the Inspector General of that agency.

Staff: The Council must appoint an Executive Director who may appoint additional personnel. HUD must provide administrative and support services.

Funding: \$1.1 million authorized for FY89. \$1.2 million authorized for FY90.

[State Councils: Each state is encouraged to establish its own state Interagency Council on the Homeless.]

[State Contact Person: Each state is required to designate an individual to serve as a contact person to receive and disseminate information on homeless programs.]

Contact: Mark Johnston, (202)755-1480

Title III. Emergency Food and Shelter Program

National Board: Establishes the Emergency Food and Shelter National Board, chaired by the director of the Federal Emergency Management Agency ("FEMA"). Members are to be nominated by 6 private non-profit organizations. The director of FEMA will

' provide administrative and other support. This National Board supercedes the existing board.

Local Boards: The National Board will designate 10 local boards consisting primarily of representatives of the same organizations as the National Board, as well as the Mayor or other local government head. Local boards determine how funds allocated to each locality will be distributed and monitor recipients of funds.

Audits: The accounts of the National Board must be audited annually by an independent accountant. Recipients must keep records and make them available to the National Board for this purpose. The National Board must prepare an annual report to Congress.

Grants: The national board must disburse funds to private non-profit organizations and local governments within three months of when funds become available:

- * to expand ongoing efforts to provide shelter, food and supportive services, and to facilitate access to other sources of services and benefits, with special emphasis on the transition to permanent housing and the needs of mentally or physically disabled persons.
- * to strengthen innovative local programs;
- * to conduct minimum rehabilitation of existing mass shelters or feeding facilities, but only to the extent necessary to make them safe and sanitary.

Not more than 5% of the total amount appropriated each year may be used for administrative costs.

Program Guidelines: The National Board must establish written guidelines, including methods for identifying localities with the highest needs and determining amounts allocated. These guidelines must be published annually and whenever they are modified in the Federal Register. [Requires the Director to submit a report on the Emergency Food and Shelter Program to the appropriate Congressional committees, within 6 months of the enactment date (May 7, 1989). The report must include proposed legislation for a minimum of 2 alternative statutory formulas for distribution and disbursement of program grants.]

Funding: \$129 million authorized for FY89. \$134 million authorized for FY90.

Contact: Wiley Cooper, Program Director; Sharon Bailey, Associate Director (703) 683-1166. Fran McCarthy, FEMA staff (202) 646-3652.

Title IV. Housing Assistance

A. Comprehensive Homeless Assistance Plan (CHAP)

General: This title sets up four separate programs. The minimum allocation for cities and counties under one program, the Emergency Shelter Grants (ESG) Program, is \$25,000 or .05% of the total appropriation for that program for any given year. States, eligible cities and urban counties must submit and have approved a CHAP [each year], to receive assistance above the ESG minimum for any McKinney program administered by HUD. Private applicants need not submit a plan but must be in a state with an approved plan. [States must submit a copy of their comprehensive plan to metropolitan cities and urban counties; metropolitan cities and urban counties must submit a copy of their plan to their state.]

Contents: Each comprehensive plan must contain: (1) a description of the need for assistance; (2) an inventory of existing facilities and services; (3) a strategy to (a) match needs with available services and (b) recognize special needs, particularly those of families with children, the elderly, the mentally ill and veterans; (4) an explanation of how federal assistance will complement and enhance available services; [(5) the identification of the appropriate contact person or agency which coordinates homeless assistance, and (6) an assurance that each recipient and project sponsor shall administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol.]

Review by Secretary: The Secretary must approve a plan within 30 days of his receipt of it, unless it plainly does not meet the above requirements.

- * If the plan is not approved, the Secretary must, within 15 days, inform the applicant of the steps that must be taken to make the plan acceptable.

- * If the Secretary fails to inform the applicant of the reasons for disapproval within 15 days, the plan will be deemed approved.

- * A disapproved plan may be amended or resubmitted.

Performance Review: Each state, city or county must review annually its progress in carrying out its plan and submit a report to the Secretary. The Secretary must review the reports and make appropriate recommendations. [Assistance will not be provided if the state, city or county does not respond to the Secretary's recommendation.]

Applications: As part of the application, the responsible public official must certify that the proposed activities are consistent with the plan.

Contact: James R. Broughman, (202) 755-5977 (formula cities and counties); James N. Forsberg, (202) 755-6322 (states).

B. Emergency Shelter Grants

General: Grants are distributed by HUD to (1) states for distribution to local governments, cities, counties, [and private non-profit organizations that have obtained local government certification of support for their project], and (2) directly to cities and counties eligible for at least the minimum grant (.05% of the total appropriation or \$23,000 for FY89). Local governments may distribute all or some of their grants to private non-profits.

Allocation and Distribution: Cities, counties and states will be allocated a percentage based on the CDBG formula. Allocations to cities or counties that are under the minimum will generally be reallocated to the state.

States, cities and counties eligible for direct grants must obtain approval of their comprehensive plans. Failure to do so will result in reallocation of the funds to other cities, counties, states or private non-profits. Reallocations must be made at least twice a year.

Eligible Activities: Grants may be used for:

- * renovations, rehabilitation or conversion of buildings to be used as emergency shelters;
- * maintenance, operations (other than staff), insurance, utilities and furnishings;
- * essential services, including employment, health, drug abuse or education services if local government has not provided such services during any part of the proceeding year [or if assistance under this subtitle would complement those services.] Not more than [20%, previously 15%] of a grant to a local government may be used for such services. However, the Secretary may waive the 20% limitation if the local government shows other eligible activities are already being carried out with other resources.

[Efforts to prevent homelessness are now allowable as essential services. Homeless prevention assistance may be given if (1) the family cannot make required payments because of a sudden income reduction, (2) the program assistance is necessary to avoid eviction or

termination of services, and (3) there is a reasonable prospect that the family will be able to resume payments within a reasonable time period, (4) the assistance would not supplant existing activities from other sources.]

[Reporting: The Comptroller General must report to Congress one year after enactment (November 7, 1989) on the various programs to prevent homelessness implemented by grantees. The report should focus on eligibility for homeless prevention programs and include (1) an examination of other federal, state, and local homelessness prevention programs and (2) recommendations for legislation, including recommendation to prevent homelessness as a result of mortgage foreclosures.]

Matching: There is a 50% matching requirement. The value of donated materials, buildings or leases, salaries paid to staff and services contributed by volunteers may be included.

Certification: Each recipient must certify that: (1) any building for which assistance is used will be maintained as a shelter for 3 years or, if major rehabilitation or conversion is done, for 10 years [or if assistance is used only for essential services and operating expenses, the recipient would provide services or shelter without regard to a particular site as long as the same general population is served]; (2) any renovated buildings will be safe and sanitary; (3) it will assist homeless persons to obtain (a) appropriate supportive services and (b) other available government or private assistance.

Funding: \$120 million authorized for FY89. \$125 million authorized for FY90.

Contact: James N. Forsberg, (202) 755-6322 (states); and James R. Broughman, (202) 755-5977 (formula cities and counties).

C. Supportive Housing Demonstration Program

General: Establishes a demonstration program, administered by HUD, to develop innovative approaches for providing supportive housing, especially for deinstitutionalized persons, families, mentally ill persons, and handicapped persons. In general, states, cities, counties, tribes, private non-profits, [and public housing authorities] may apply for assistance. However, only states may apply for assistance for permanent housing for handicapped homeless persons.

Definitions: "Supportive housing" includes (1) transitional housing designed to facilitate movement into independent living [within 24 months (or longer if Secretary determines need)] and

(2) permanent housing for handicapped persons that is community-based, serves not more than 8 persons, provides services, and is operated by a non-profit sponsor. [The Secretary can waive the 8 person limitation if the applicant demonstrates that (1) local market conditions dictate the development of a larger project and (2) such development will achieve the neighborhood integration objective of the program within the context of the affected community].

"Supportive services" means services addressing the special needs of deinstitutionalized homeless persons, homeless families and handicapped homeless persons.

Eligible Activities: The Secretary may provide:

- (1) for supportive housing in an existing structure (a) an advance of up to \$200,000, [\$400,000 for projects in high cost areas] for acquisition, substantial rehabilitation, (b) [or repayment of outstanding debt (as long as the structure was not used for supportive housing before)];
- (2) a grant [up to \$200,000, \$400,000 for high cost areas] for moderate rehabilitation of an existing structure for use as supportive housing;
- (3) annual payments for operating costs, [without regard to whether the housing is in an existing structure], of up to 75% for transitional housing and [up to 50% for the first year and 25% for the second year for permanent housing for the handicapped];
- (4) technical assistance in establishing and operating transitional housing and providing supportive services;
- [(5) an advance for new construction if the project (a) involves the cooperation of a city or state university, (b) has land donated by a state university, (c) proposes a structure of at least 10,000 square feet, and (d) proposes a comprehensive support system]; and
- [(6) a grant for a job program which shall include employment of residents in operation and maintenance of the housing and payments of transportation costs to jobs].

Repayment: An advance must be repaid in full if the project is used as supportive housing for less than 10 years; repayment amount is reduced by 10% for each year over 10. Repayment may not be required, however, if the project is no longer needed for supportive housing and is used for some other low-income purpose.

Disposition: Restrictions may apply if a project acquired or rehabilitated with these funds is disposed of before a 20-year period, and if the subsequent use is for other than low income purposes.

Limitations:

Administrative Costs: Not more than 5% may be used for administrative purposes. Assistance (including state or local

matching assistance) may not be used to replace other public funds previously used for handicapped and/or homeless persons.

[Site Control: The applicant must have control of a site within 6 months after notification of grant assistance. Applicants may obtain ownership or control of a site different from the one specified in the application. If the recipient doesn't have site control within one year, HUD may cancel or recapture the obligated funds.]

[Floodplain Restriction: Project location in a floodplain is no longer grounds for immediate disqualification. Those in a floodplain must meet the restrictions listed under Executive Order No. 11988 (May 24, 1977).]

Application:

Criteria: The Secretary must establish selection criteria for a national competition, including: (1) the applicant's ability to develop and operate supportive housing, (2) the innovative quality of the proposal, (3) the need for such supportive housing in the area, (4) the extent to which assistance will be matched by more than 50%, (5) cost effectiveness, (6) the extent to which the project would meet the needs of homeless handicapped persons [(7) site control, and (8) for transitional housing, the extent to which the project contains an employment assistance program.]

Procedure: Applications must include (1) a description of the proposed project, (2) a description of number and characteristics of proposed residents, (3) a description of proposed matching sources, (4) assurances that the project will be operated for at least 10 years, (5) a certification from the relevant public official that the project is consistent with the applicable comprehensive plan, and [(6) documentation of site control.]

In the case of permanent housing for handicapped homeless persons, applications must also include (a) a letter from the state assuring the prompt transfer of the assistance to the private non-profit sponsor and the provision of supportive services to the project, (b) a description of the responsible state agency and (c) an assessment of how the proposed project will meet needs of homeless handicapped persons.

Occupant Rent: Each homeless individual residing in supportive housing must pay rent in accordance with section 3(a) of the U.S. Housing Act of 1937.

Matching: (1) Transitional Housing: 50% matching requirement, may include value of donated material, building or lease; [and salaries paid to staff or residents, and the value of volunteer time and services.] (2) Permanent Housing: 50% matching

requirement by state and local funds [which may include the same items as (1)]; only 50% of these may be local funds. The Secretary may waive this requirement.

[Reporting: The Secretary shall annually report findings, conclusions and recommendations about activities under this title. The report shall be submitted to Congress by 3 months after the end of the fiscal year.]

[Reallocation: Any unused funds shall be reallocated for other programs under this title.]

Funding: \$100 million authorized for FY89. \$105 million authorized for FY90.

Contact: Morris Bourne, Director; Joel Balosham, Deputy Director; Jay Thal, Application Specialist: (202) 755-9075

D. Supplemental Assistance

General: Establishes a program of assistance to states, cities, counties, tribes or private non-profits to: (1) provide funds for costs in excess of assistance from the emergency shelter grant or supportive housing programs to (a) meet the special needs of homeless families, elderly or handicapped homeless persons or (b) to facilitate the use of public buildings to assist homeless persons or [(c) to provide supportive services for the homeless]; or (2) to provide comprehensive assistance to particularly innovative programs by assisting (a) the purchase, lease, renovation, [operation] or conversion of facilities, or (b) the provision of supportive services including food, child care, assistance in obtaining permanent housing, outpatient health services, employment and nutritional counseling, and provision of security.

To the extent practical, the Secretary must use at least 50% of the funds for facilities primarily benefiting homeless elderly persons and families, and distribute funds equitably across geographic areas.

Limitations:

Other Assistance: The applicant must make a reasonable effort to find other resources.

Repayment: An advance must be repaid in full if the facility is used for less than 10 years; repayment is reduced by 10% for each year over 10. Repayment is not required as long as the project is no longer needed for homeless persons or is used for other low-income purposes.

Administrative Expenses: May not exceed 5%.

Health Care: Not more than \$10,000 of any grant or advance may be used for outpatient health services. Grants may not be used to purchase major medical equipment. Applications including health services must be considered in consultation with the HHS Secretary.

[Site Control: The applicant must have control of a site within 6 months after notification of grant assistance. Applicants may obtain ownership or control of a site different from the one specified in the application. If the recipient doesn't have site control within one year, HUD may cancel or recapture the obligated funds.]

Application: The applicant must (1) show commitment to alleviating poverty, (2) furnish assurances that the project will be operated for at least 10 years, (3) show continuing capacity to provide assistance, (4) comply with any other requirements the Secretary may establish, and [(5) provide documentation of site control.]

Funding: \$10 million authorized for FY85. \$11 million authorized for FY90.

Contact: Ed Stromberg, (202) 426-1520.

E. Section 8 Assistance for Single Room Occupancy Units (SRO)

General: Section 8 funding is increased to provide assistance for moderate rehabilitation of SROs for use by homeless persons. [Assistance may be used for efficiencies if the owner pays for additional rehabilitation and operating costs.]

Procedure: HUD will allocate funds to applicants that best demonstrate need and ability to carry out a program, based on a national competition. Applicants must submit to the Secretary written proposals containing (1) a description of project size and characteristics of potential occupants, (2) a listing of public and private sources of additional aid, (3) an inventory of suitable housing stock to be rehabilitated and (4) a description of interest shown in participating by builders, developers and others.

Limitations: No city or county may receive more than 10% of total assistance available. Rehabilitation costs that may be compensated under the program may not exceed \$14,000 per unit, plus required fire and safety costs, unless the Secretary determines that local conditions require higher cost. [The amount will be determined by the Secretary each October 1, taking into account increases in construction costs.]

Contract Requirements: Contracts to award contributions to public housing authorities must commit HUD to 10 years with an option to renew.

Funding: \$50 million authorized for FY89, \$50 million authorized for FY90.

Contact: Lawrence Goldberg, Office Director (202) 755-5720; Mary Maher, Branch Chief (202) 755-6650.

[F. Reports

Rent Control: The Secretary shall submit within 12 months (November 7, 1989) a report to Congress evaluating the impact of local housing rent control and regulations on the rate of homelessness in major cities in the U.S.

Alternative Allocation Formulas: The Secretary shall also report to Congress on alternative allocations formulas for Title IV, not later than March 1, 1989.]

Title V. Identification and Use of [Unused and Underutilized] Surplus Federal Property

Identification: The Secretary of HUD is required to collect information about [unused and] underutilized federal buildings from surveys conducted by the heads of the other federal agencies. The Secretary, in consultation with HHS and GSA, must develop criteria for determining the suitability of this property for use as facilities for the homeless and actually identify property that is suitable [within 2 months of collecting such information.]

Notification: The Secretary must notify each federal agency of any property that is suitable for use for the homeless. Within 30 days of receipt of such notice, the agency must respond to HUD and GSA stating (1) that property will be made available or (2) stating the reasons that the property cannot be made available.

Use of Property to Assist Homeless: Once property is deemed suitable, GSA and HHS must take whatever action is necessary to make the properties available as homeless assistance facilities operated by states, local governments or private non-profits.

Leases: Property may be used only through leases lasting at least one year. Ownership shall not be transferred.

Reports: By October 20, 1987, and quarterly thereafter, GSA shall submit to Congress and to the Interagency Council, reports

on implementation including: (1) a list of properties identified by HUD as suitable, (2) a statement of responses by agencies to HUD notices, and (3) a statement of actions taken by GSA and HHS to make such property available.

(The judge in the case National Coalition, v. Veterans Administration, ruled on December 15, 1988 that:

(1) HUD must survey all unused, underutilized surplus and excess federal property for the possible use of the homeless;

(2) HUD must list the suitable properties weekly in the Federal Register; and

(3) HHS must process all applications for the property.)

Contact: Judy Breitman, (301) 443-2265

Title VI. Health Care for the Homeless

A. Primary Health Services and Substance Abuse Services

1. Health Services for the Homeless Grant Program: Establishes a program requiring the Secretary of HHS to make grants for the delivery of primary health care and substance abuse services to homeless persons [including individuals residing in transitional housing].

Grantees: Grantees must be public or non-profit private organizations; must have the capacity to effectively administer the program; and must, if Medicaid eligible, participate in the state Medicaid plan. The Secretary must give preference to applicants that (1) are experienced in direct delivery of primary health care or substance abuse services to homeless persons or to medically underserved populations, and (2) agree to provide services through both public and private organizations.

Matching: 25% matching requirement from non-federal sources [the first fiscal year, and 33 1/3% in subsequent years (the new requirement takes effect October 1, 1989)]; may be in kind; may not be public and private sources made available before February 26, 1987 to assist homeless persons. Matching requirement may be waived if grantee is private non-profit ([this is an easing of regulations, previously, the non-profit had to be a community health center under Sect. 330 of the Public Health Service Act]) or if matching is not "feasible."

Services: Each grantee must agree to provide, directly or through contract: (1) health services at locations accessible to homeless persons, (2) 24-hour emergency health services, (3) appropriate referrals for necessary hospital services, (4) referrals to mental health services, (5) outreach, (6) assistance in obtaining services under entitlement programs, and [(7) grantees may

continue to provide services to a formerly homeless individual, after they have found housing, for up to 12 months.]

Restrictions: Grantees may not spend funds for (a) a purpose other than listed here, though a waiver is possible; (b) inpatient services, except for substance abusers; (c) cash payments to recipients of care; or (d) to purchase or make major improvements on real property or to purchase major medical equipment. Grantees may not spend more than 10% on administrative expenses.

Limitations on Charges: Each grantee must agree to provide services regardless of recipient's ability to pay. If a charge is imposed, it must be according to public schedule and must be adjusted according to income. No charge may be imposed on a homeless person with income below poverty level.

Administrative Requirements: Each grantee must agree to establish procedures to ensure confidentiality of records, and to submit an annual report to the Secretary. Grantees serving populations with substantial portions of non-English speaking persons must make special provisions.

Optional Provisions: Grantees, at their option, may provide mental health services, may make referrals to advocacy groups for mentally ill homeless persons, and may provide services through self-help organizations. In addition, the Secretary may provide some technical assistance, without charge, to grantees.

Applications: Applicants must submit applications to the Secretary containing all mandatory requirements (i.e. requirements with respect to matching funds, required services, restrictions on use of funds and on charges, and administration of grants).

Annual Reports: The Secretary must submit an annual report to Congress by January 10 of each year.

Funding: \$61.2 million authorized for FY89. \$63.6 million authorized for FY90. \$66.2 million authorized for FY91.

2. National Health Services Corporation. Amends Public Health Service Act to include homeless persons as a population with a shortage of health professionals serving it. This makes homeless persons eligible to receive a National Health Services Corporation provider.

3. Deinstitutionalization Study. By April, 1989 the Secretary of HHS must prepare a study determining the extent to which state

deinstitutionalization policies contribute to homelessness and submit the study to Congress with any recommendations.

Contact: Harold Dame, Director (301) 443-2512; Joan Holloway, (301) 443-8134.

B. Community Mental Health Services for the Homeless

1. Mental Health Block Grant

General: Establishes a block grant program administered by HHS, allotting funds to states for the provision of community mental health services to chronically mentally ill homeless persons.

Required Services: Each state must agree that the project's funds will provide the following services: (1) outreach; (2) community mental health services; (3) referrals to hospital services, primary health care, and substance abuse services; (4) case management, including (i) preparing a mental health services plan and reviewing it at least once every three months, (ii) providing assistance in obtaining services and benefits, (iii) referring the person for other services, (iv) providing representative payee services; (5) supportive and supervisory services in residential settings not funded by the supportive housing program; (6) training of shelter and mental health clinic staff. (1) through (3) may be provided to mentally ill persons with a significant probability of becoming homeless, as well as to homeless persons.

Matching: 25% matching requirement; nonfederal sources. May be in kind.

Description of Intended Use: The state must submit to the Secretary a description of the intended use of the funds it is applying for, including an identification of persons with the greatest need and a description of the proposed programs. The state must provide the public notice and an opportunity to comment on this description.

Reports: The state must submit a publicly available annual report to the Secretary. The Comptroller General must evaluate the state's expenditure to ensure consistency with federal requirements.

Applications: The state must submit an application containing each mandatory provision (i.e., the purpose of the grants, the services provided, matching funds, restrictions on use of grants, description of intended use, reports by state).

Restriction on Use of Grants: The state may not use grants to (1) provide inpatient services, (2) make cash grants to intended

recipients of services, (3) purchase or make major improvement on real property, (4) satisfy any requirement for expenditures of non-federal funds for receipt of federal funds. The state must limit administrative expenses to 4% of the grant.

Technical Assistance: May be provided by Secretary.

Allocation: The grant for each state will be the greater of: \$275,000; or the total amount appropriated multiplied by the percentage of the total U.S. urban population living in the state. [If the amount appropriated is not sufficient to allot at least \$150,000 to each state, the Secretary shall make grants available on a competitive basis, (the limit is \$50,000 for territories)].

Reallocation: If a state fails to submit an application within a reasonable time, or notifies the Secretary that it does not intend to apply, [the unexpended allotment of that state shall go to public and private non-profits within that state].

Failure to Comply: If a state fails to comply with these requirements, the Secretary must provide notice and request compliance. If the state does not comply within 60 days, the Secretary may refer the matter to the Attorney General or take certain other enforcement actions. Repayment of funds may be required.

Funding: \$35 million authorized for FY89. \$35 million authorized for FY90.

Contact: Gary Palsgrove, (301) 443-3820; Dr. Irene Levine, (301) 443-3706.

2. Demonstration Projects for Chronically Mentally Ill Homeless Persons.

General: Authorizes additional funds for the existing Community Support Program, a demonstration project administered by NIMH to provide community-based services to chronically mentally ill persons. Additional funds are to be used only for provision of such services to homeless chronically mentally ill persons.

Funding: \$11 million authorized for FY89. \$11.5 million authorized for FY90.

Contact: Dr. Irene Levine (301) 443-3706, Dr. Deborah Rog (301) 443-3706.

3. Demonstration Projects for Alcohol and Drug Abuse Treatment.

General: Directs the Secretary to make grants to community-based public and private entities to provide alcohol and drug abuse treatment services to homeless persons.

Funding: \$14 million authorized for FY89. \$17 million authorized for FY90.

Contact: Barbara Lubran, Robert Huebner, Janet Ruck (301) 443-0786.

Title VII. Education, Training and Community Services Programs

A. Adult Literacy

General: The Adult Education Act is amended to make clear that homeless adults are eligible.

Grant Program: The Secretary of Education may make grants to state education agencies to develop a plan and implement a program of literacy training for homeless persons. The plan must include outreach and coordination with existing services. State education agencies must submit applications to the Secretary in accordance with reasonable requirements to be issued by the Secretary.

- * Funds will be distributed based on assessments of homeless populations made in the state's comprehensive plans under this Act (See Title IV).

- * Minimum allotment: \$75,000

Funding: \$10 million authorized for FY89. \$10 million authorized for FY90.

Contact: Sarah Newcomb, (202) 732-2390.

B. Education for Homeless Children

1. Policy.

Each state education agency must ensure that homeless children have access to free and appropriate public school education and that state residence requirements do not bar access.

2. Grant Program.

General: Establishes a program of grants by the Secretary of Education to states to : (1) carry out these policies, (2) establish an office of Coordinator of Education of Homeless Children and Youth, and (3) prepare and carry out the state plan.

Office of Coordinator: The office of the coordinator, established in each state, [annually] gathers data on the number of homeless children and the extent of their problems in gaining access to education and develops and carries out the state plan. The coordinator must submit a final report by December 31 [of each year].

State Plan: Each state must adopt a plan to provide for the education of homeless children and to provide procedures to resolve disputes regarding the educational placement of homeless children. In addition, each plan must ensure, to the extent practical under local education laws, that:

(a) local education authorities continue the education of the child in the original school district for the rest of the school year or place the child in the district he is actually living in, whichever is in the child's best interest;

(b) each homeless child is provided the same services as other children;

(c) the records of each homeless child who is transferred to a new school district are available in that district in a timely manner.

Applications: To receive a grant, a state educational agency must submit an application in accordance with reasonable requirements established by the Secretary.

Allocation: In accordance with a formula. Minimum: \$50,000 per state.

Funding: \$5 million authorized for FY89. \$5 million authorized for FY90.

Contact: Ed Smith, (202) 732-4726, Tom Fagen, (202) 732-4682.

3. Exemplary Grants Program for Homeless Children.

Establishes a program for the Secretary to make grants for exemplary programs that successfully address the needs of homeless children in school. Grants are to be made to state and local education authorities. To be eligible, the applicant must be in a state that has submitted a state plan. Applications must

describe the program and must be submitted in accordance with other reasonable requirements to be determined by the Secretary.

The Secretary must disseminate information on exemplary programs to the state and local educational authorities.

Funding: \$2.5 million authorized for FY89. \$2.5 million authorized for FY90.

Contact: Ed Smith, (202) 732-4726

4. National Responsibilities.

The Secretary must (1) review and monitor compliance; (2) submit a report to Congress on the programs at the end of each fiscal year; (3) compile and submit to Congress a report on the data received from the states within 45 days of receiving it.

The Comptroller General has submitted to Congress a report on the number of homeless children and youth in all states.

C. Job Training

1. Job Training for the Homeless Demonstration Program.

General: Establishes a program for the Secretary of Labor to make grants for job training demonstration projects for homeless persons. Grants may be made to public agencies, private non-profits, private businesses and other appropriate entities.

State Coordination: The state in which projects are located must describe as part of its comprehensive plan (see Title IV) how it will coordinate projects within the state with other services for homeless persons under this Act.

Activities: Eligible activities include: (1) basic skills instruction, (2) remedial education, (3) basic literacy instruction, (4) job search, (5) job counseling, (6) job preparatory training (e.g., resume writing).

Application: Applicants must submit applications to the Secretary. Each application must include: (1) a description of proposed activities, (2) plans for outreach to providers and to homeless persons, (3) evaluation standards and assurance that a preliminary evaluation of the project will be made by the end of the first year, (4) assurances that the recipient will comply with the matching requirement.

Matching: 10-15% match required, as determined for each project by the Secretary. Match may be cash or in-kind.

Limitation: Grants per state are limited to 15% of the total appropriation.

Evaluation: The Secretary must evaluate each project by the end of the first fiscal year and submit findings to the Interagency Council. Within six months of October 1, 1990 (the termination date of the program), the Secretary must submit a final report to Congress, the Council and the President. The Council must evaluate each project and include a report of its findings in its own annual report. Evaluations must show the number of persons served and placed, the average length of training time, the average cost of training, and the average retention rate of jobs after training.

Funding: \$13 million authorized for FY89. \$13 million authorized for FY90.

Contact: John Mitchka, grant specialist (202) 523-7092; John Heinberg, (202) 535-0682.

2. Homeless Veterans Reintegration Project.

General: Establishes a grant program for the Secretary of Labor to fund programs to expedite reintegration of homeless veterans into the labor force. Funds may be used for job training, remedial education, basic literacy instruction, job counseling, and outreach referrals to homeless veterans. Local agencies must apply to states.

Funding: \$2.2 million for FY89. \$2.2 million for FY90.

Contact: Christine Chudd (202) 523-9110.

3. Job Training Partnership Act. Amended to assist homeless persons in obtaining employment and training services.

Contact: John Heinberg (202) 535-0682, Jack Mitchka, grant specialist (202) 523-7092.

D. Emergency Community Services Homeless Grant Program

General: Establishes a special grant program administered by the Office of Community Services of HHS. Funds are allocated to states that administer programs under the Community Services Block Grant (CSBG) program in accordance with the CSBG formula.

If a state does not apply for funds, the Secretary will make grants directly to eligible agencies within that state.

Eligible Activities: Funds can be used only to (1) expand comprehensive services to homeless persons to assist in the transition out of poverty, (2) assist in obtaining social services and benefits, (3) promote private sector and other assistance, and [(4) assist in homeless prevention, though only 25% of the funds can be used for this purpose]. Funds cannot be used for state administrative costs.

Application: The application must describe the organization and activities the state will support.

Assurances: The state must ensure that it will award all the funds to community action agencies eligible under the CSBG program and organizations serving migrant and seasonal farmworkers. The state must also ensure that at least 90% of the funds will go to agencies that, as of January 1, 1987, are providing services to meet critically urgent needs of homeless persons.

Funding: \$42 million for FY89. \$42 million for FY90.

Contact: Janet Fox - main contact (202) 252-5254, Mae Brooks (202) 252-5261.

[E. Jobs for Employable Dependent Individuals (JEDI)

General: Establishes incentive bonuses for states for successful job placement of welfare recipients.

Eligibility: An individual can be counted (1) if that person has been a welfare recipient during 24 of previous 28 months, is the head of a household, and has had no "significant" work experience during previous year, or (2) is presently receiving welfare, is the head of a household, is less than 22 years old, and has no "significant" work experience during previous year, or (3) if they are blind or disabled, they have received disability insurance for 24 of previous 28 months, and they have no "significant" work experience during previous year, or (4) if that person is blind or disabled, is presently receiving disability insurance, is less than 22 years old, and has no "significant" work experience during previous year.

Additional Requirement: Individual must have successfully participated in education, training or other activities offered under JEDI; be placed in non-subsidized employment; receive income greater than or equal to bonus base; and no longer require welfare.

Amount of Incentive Bonus: 75% of placement bonus base for initial placement; 75% of placement bonus base for second continuous year of employment; 75% of placement bonus base for third continuous year of employment. Bonuses are given for placements made above the number in each eligible category placed in program year 1987 to any other base period agreed to by the Governor and the Secretary of Labor.

Placement Bonus Base: Equal to annual average of Federal welfare contribution to individual and family during previous two years.

Applications and Verifications Required: To participate, states must notify the Secretary at least 30 days prior to the beginning of its first program year of participation. States must submit an application which contains at minimum: the placement bonus base for eligible individuals, and a description of the individuals' employment and education activities. The Secretary is then required to notify states of approval within 60 days after receiving the application.

Use of Bonus Funds: The governor is permitted to retain up to 15% for administrative costs, the remainder is to be distributed to Service Delivery Areas (SDA). The SDAs may in turn retain up to 10% for administrative costs, the balance is to be used for activities described in Section 204 of JTPA and to make incentive payments to service providers.

Duties of the Secretary: The Secretary is responsible for (1) providing technical assistance to facilitate the collection, exchange and compilation of data required by the program; (2) providing financial assistance for start-up costs to governors; (3) establishing a performance standard for JEDI; (4) issuing proposed regulations for JEDI not later than 3 months after enactment and final rules within 7 months; and (5) conducting an evaluation of the program and reporting to Congress on the results of the evaluation by January 1, 1996.]

Title VIII. Veterans' Provisions

General: Provides 50% of funding for conversion of surplus VA space to domiciling beds for homeless veterans, and 50% of funding for medical care for homeless chronically mentally ill veterans.

Funding: \$30 million authorized for FY89. \$30 million authorized for FY90.

Contact: Richard Olsen, James Kelly - Domiciliary Care Program (202) 233-3692; Gay Koerber - Homeless Chronically Mentally Ill Veterans (202) 233-5194.

[Title IX. Aid to Families with Dependent Children; Unemployment Compensation

A. Extension on prohibition against implementation of certain proposed regulations

Extends for one year (i.e. through September 30, 1989) the moratorium on implementation of regulations restricting the scope of AFDC emergency assistance and limiting the states' ability to use AFDC funds for temporary housing needs.

B. Report on AFDC as emergency assistance

Requires HHS to review the policies currently in effect where states use funds from Title IV-A of the Social Security Act, as either AFDC payments for special needs or as emergency assistance to meet emergency needs of families who are eligible for such aid. The Secretary must report legislative and regulatory recommendations to (1) improve the AFDC program's ability to meet emergency needs of eligible families, and (2) eliminate state use of AFDC funds for shelter in commercial or similar transient facilities by July 1, 1989.

C. Demonstration projects to reduce the number of homeless families in welfare hotels

General: Authorizes two to three states to conduct demonstrations to put AFDC families in transitional facilities instead of welfare hotels.

Project Requirements: The project must: (1) provide transitional housing only to AFDC families in commercial or similar transient facilities; (2) permanently reduce the number of commercial or transient rooms used for AFDC families by the same number of units made available under the demonstration; and (3) provide that the total amount of Federal payments for cash assistance to families in transitional facilities, together with Federal payments under the project shall be less than or equal to the Federal cost of housing such families in commercial or transitional facilities (including payments for their basic needs and services).

Use of Funds: Funds may be used (1) for rehabilitation or construction of transitional facilities that can be easily converted to permanent housing, and (2) to provide on-site social services.

GAO Review of Applications: The Secretary of HHS must provide the Comptroller General a copy of all applications received. Within 90 days of receiving the application, the Comptroller General must report to the Senate Finance Committee and the House Ways and Means Committee, on whether the application meets the

Stewart B. McKinney Homeless Assistance Act

(millions of dollars)

	1989		1990		Difference
	Auth.	Approp.	Auth.	Budget	
Housing and Urban Devt.					
Emergency Shelter	120.0	46.5	125.0	125.0	78.5
Transitional and Supportive Hsg.	100.0	80.0	105.0	105.0	25.0
Supplemental Assis. (SAFAH)	10.0	0.0	11.0	11.0	11.0
Section 8	50.0	45.0	50.0	50.0	5.0
Health and Human Resources					
Primary Health Care	61.2	14.8	63.6	63.6	48.8
Mental Health Demonstration	11.0	4.6	11.5	11.5	6.9
Mental Health Block Grant	35.0	14.1	35.0	35.0	20.9
Alcohol and Drug Abuse Demo.	14.0	4.5	17.0	17.0	12.5
Community Services Block Grant	42.0	18.9	42.0	42.0	23.1
AFDC Demonstration	---	---	20.0	20.0	20.0
Fed. Emergency Mngt. Agency					
Emergency Food and Shelter Prog.	129.0	114.0	134.0	134.0	20.0
Department of Labor					
Job Training	13.0	9.4	13.0	13.0	3.6
Jobs for Employable Dpdnt Indiv JED	0	0	7.2	7.2	7.2
Department of Education					
Education for Homeless Children	5.0	4.8	5.0	5.0	0.2
Adult Literacy	10.0	7.1	10.0	10.0	2.9
Exemplary Education Grants	2.5	0.0	2.5	2.5	2.5
Department of Veterans					
Mentally Ill Program	15.0	0.0	15.0	15.0	15.0
Domiciliary Care Program	15.0	0.0	15.0	15.0	15.0
Interagency Council	1.1	1.1	1.2	1.2	0.1
TOTAL	633.8	364.8	683.0	683.0	318.2